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Programme budget for the biennium 2006-2007

United Nations common system

Administrative and financial implications of the decisions and recommendations contained in the reports of the International Civil Service Commission for 2005 and 2006

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/61/381) on administrative and financial implications of the decisions and recommendations contained in the reports of the International Civil Service Commission for 2005 and 2006.

2. Consistent with past practice, the Committee has confined its consideration of the financial implications of recommendations contained in the report of the Commission to those submitted to the General Assembly by the Secretary-General in his statement. The Committee has not commented on the recommendations themselves or on their underlying methodology.

3. As indicated in paragraph 1 of the statement of the Secretary-General, the reports of the Commission for 2005[1] and 2006[2] contain specific decisions and recommendations involving financial implications for the United Nations programme budget for the biennium 2006-2007 related to:

(a) Conditions of service of staff in the Professional and higher categories:

(i) Base/floor salary scale and staff assessment scale;

(ii) Post adjustment matters;

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 30 and Corrigendum* (A/60/30 and Corr.1).

[2] Ibid., *Sixty-first Session, Supplement No. 30* (A/61/30).

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(b) Conditions of service applicable to both categories of staff:

(i) Education grant: review of the level;

(ii) Hazard pay;

(c) Conditions of service of staff in the General Service and related categories: survey of best prevailing conditions of employment at New York.

4. The reports of the Commission for 2005 and 2006 also contain decisions and recommendations involving financial implications for the United Nations system organizations that would, however, have no financial implications for the United Nations programme budget.

5. As indicated in paragraph 3 of the statement of the Secretary-General, the comparator (the United States federal civil service in Washington, D.C.) reference salary (GS-13 GS-14 salary level) was 4.57 per cent higher than the net salary of a P-4 V1 in the current United Nations base/floor scale. In accordance with the approved procedures and past practices, this would call for an upward adjustment of 4.57 per cent in the common system salary scale for staff in the Professional and higher categories, with effect from 1 January 2007. The Committee notes that this consolidated recommendation of 4.57 per cent includes the proposed increase recommended in the report of the Commission for 2005.[1] The increase of 4.57 per cent in the base/floor salary scale would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis as of the date of implementation. The annex below, provided to the Committee upon request, illustrates the consolidation of 4.57 per cent of posts adjustment into net base salary.

6. The Committee notes that the increase in the base/floor salary scale would give rise to increased requirements for separation payments with the consequential financial implications for the United Nations programme budget estimated at $355,600 for the year 2007.

7. The Committee notes from paragraph 6 of the statement of the Secretary-General that comprehensive place-to-place surveys were conducted in 2005 in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C.; in addition, a price collection exercise, which is the basis of the post adjustment system, was carried out in New York. As stated in paragraph 8 of the statement, the Commission, having examined the proposals of the Advisory Committee on Post Adjustment Questions, decided to approve the results of the 2005 place-to-place surveys and to take them into account in determining the respective post adjustment classifications, with effect from 1 April 2006. The financial implications of this recommendation of the Commission for the United Nations programme budget are estimated at $3,096,000 for the biennium 2006-2007.

8. The Committee notes from paragraph 12 of the statement that the annual financial implications of the recommendation of the Commission, concerning the education grant, are estimated at $830,500 for the United Nations programme budget for the biennium 2006-2007.

9. As indicated in paragraph 13 of the statement of the Secretary-General, on the basis of its 2005 review of the level of hazard pay for international and locally recruited staff, the Commission had decided to increase the level of hazard pay granted to internationally recruited staff from $1,000 to $1,300 per month, effective

1 January 2006. The Committee notes from paragraph 15 of the statement of the Secretary-General that the financial implications of the decision on hazard pay are estimated at $3,322,800 for the United Nations programme budget for the biennium 2006-2007, assuming that the revised level would become effective 1 January 2007. The Committee observes that, in estimating the implications of the proposed increase in the level of hazard pay granted to international staff, the Secretariat utilized the most recent available statistics on the number of such staff deployed in the field for special political missions. To date, about 923 posts for internationally recruited staff have been utilized in special political missions at duty stations classified as hazard duty stations. The Committee, upon request, was provided with a breakdown of those 923 posts by duty stations, as follows:

United Nations Assistance Mission in Afghanistan (Afghanistan)	277
United Nations Peacebuilding Support Office in the Central African Republic (Central African Republic)	31
United Nations Political Office for Somalia (Somalia)	24
International Independent Investigation Commission (Lebanon)	175
Office of the Personal Representative of the Secretary- General for Lebanon	10
United Nations Assistance Mission for Iraq (Iraq)	406
Total	**923**

10. With regard to the conditions of service of staff in the General Service and related categories, the Committee notes that in November 2005, the Commission conducted surveys of the best prevailing conditions of employment for staff in the General Service and related categories in New York. No separate surveys were conducted in respect of the language teacher and public information assistant categories; instead, the percentage resulting from the General Service survey was applied to adjust the salary scales of those two categories. Moreover, the Commission also decided to discontinue, for future rounds, separate surveys of the Security Service and the Trades and Crafts categories and to apply to them the same salary adjustment procedure as the one applicable to staff in the General Service staff, language teachers and public information assistants. As noted in paragraph 23 of the statement of the Secretary-General, the financial implication of the recommendations of the Commission concerning the conditions of service of staff in the General Service and related categories has been estimated at $1,957,200 for the United Nations programme budget for the biennium 2006-2007.

11. As indicated in paragraph 24 of the statement, the related additional requirements under the programme budget for the biennium 2006-2007 resulting from the recommendations and decisions of the Commission are estimated at $9,562,100, net of staff assessment. The Secretary-General intends to reflect these additional requirements in the first performance report for the biennium 2006-2007. The Committee has no objection to the approach of the Secretary-General.

Annex

Consolidation of 4.57 per cent of post adjustment into net base salary

Illustration:

1. Before consolidation — 1 January 2007

Net base salary (NBS) at P4/VI (dep.)	=	$70,406 (A/59/30 (Vol. I), annex VI)		
Post adjustment multiplier is 10				
∴ Net base salary + Post adjustment	=	$70,406 x 1.10	=	$77,446.60 p.a

2. After consolidation of 4.57 per cent on 1 January 2007

Net base salary at P4/VI (dep.)	=	$70,406 x 1.0457	=	$73,624 (A/61/30, annex IV
Post adjustment multiplier	=	1.10/1.0457	=	1.0519 or multiplier 5.2
∴ Net base salary + Post adjustment	=	$73,624 x 1.052	=	$77,452.45 p.a

Remarks: Note difference of -$5.85, (i.e. 77,446.60 - 77,452.45) is due to rounding